details about the request for a multiyear contract, including details about the negotiated contract terms and conditions.".

(2) CONFORMING REPEAL.—Section 104 of Public Law 100-526 (102 Stat. 2624) is repealed.

(3) TRANSITION.—Subparagraph (C) of paragraph (9) of section 2306(h) of title 10, United States *Code, as* added by subsection (a), does not apply to programs that are under a multiyear contract on the date of die enactment of this Act.

SEC. 806. REVISION OF LIMITATION ON TRANSFER OF CERTAIN TECHNICAL DATA PACKAGES TO **FOREIGN** COUNTRIES

(a) COUNTRIES TO WHICH TRANSFERS MAY BE MADE.—Subsection (b) of section 4542 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "a friendly foreign country" and inserting in lieu thereof "a member nation of the North Atlantic Treaty Organization or a country designated as a major non-NATO all/*:

(2) **in paragraph (2)(B), by inserting ", except as provided in subsection (e)" before the semicolon at the end; and**

(3) **in paragraph (3), by inserting "or (d)" after "subsection (c)".**

(b) COOPERATIVE PROJECT AGREEMENTS.—Such section is further amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (f), (g), and (h), respectively; and

(2) **by inserting after subsection (c) the following new subsections:**

"(d) COOPERATIVE PROJECT AGREEMENTS.—An agreement under this subsection is a cooperative project agreement under section 27 of the Arms Export Control Act (22 U.S.C. 2767) which includes provisions that—

"(1) for development phases describe the technical data to be transferred and for the production phase prescribe the content of the technical data package or assistance to be transferred to the foreign country participating in the agreement;

"(2) require that at least the United States production of the defense item to which the technical data package or assistance relates be carried out by the arsenal concerned; and

"(3) require the Secretary of Defense to monitor compliance with the agreement.

"(e) LICENSING FEES AND ROYALTIES.—The limitation in subsection (b)(2)(B) shall not apply if the technology (or production technique) transferred is subject to nonexclusive license and payment of any negotiated licensing fee or royalty that reflects the cost of develop-

ment, implementation, and prove-out of the technology or production technique. Any negotiated license fee or royalty shall be placed in the operating fund of the arsenal concerned for the purpose of capital investment and technology development at that arsenal."

(c) CONFORMING AMENDMENT.—Subsection (f) of such section (as redesignated by subsection (b)(1)) is amended by inserting "or a cooperative project" in paragraph (1) after "cooperative research and development program".